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Huishang Bank Corporation Limited*

徽商銀行股份有限公司*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3698)

U.S.\$888,000,000 5.50 PER CENT. NON-CUMULATIVE OFFSHORE PREFERENCE SHARES

(Stock Code: 4608)

ANNOUNCEMENT ON THE REDEMPTION OF THE OFFSHORE PREFERENCE SHARES

On 10 November 2016, Huishang Bank Corporation Limited (the “**Bank**”) successfully issued U.S.\$888,000,000 Offshore Preference Shares (the “**Offshore Preference Shares**”) in the offshore market. On 27 July 2021, the meeting of the board of directors of the Bank considered and approved the Proposal to Redeem the Offshore Preference Shares of Huishang Bank (the “**Proposal**”) and approved the redemption of all of the U.S.\$888,000,000 Offshore Preference Shares (the “**Redemption**”), as well as delegated the chairman, the president and the secretary to the board of directors to jointly or individually deal with relevant matters in relation to the Redemption in accordance with the relevant regulatory requirements and the terms and conditions of the Offshore Preference Shares and based on specific circumstances. There were 13 valid votes, of which 13 voted in favour of the Proposal, 0 voted against the Proposal and 0 abstained from voting.

The Bank has recently received a reply letter from China Banking and Insurance Regulatory Commission Anhui Office (the “**CBIRC Anhui Office**”), that the CBIRC Anhui Office has no objection to the Bank’s exercise of the redemption right of the Offshore Preference Shares, provided that the Bank had complied with the relevant requirements of the “Measures for the Capital Management of Commercial Banks (Trial)”. The Bank issued perpetual capital bonds in the amount of RMB10,000,000,000 in December 2019, and issued 1,735,000,000 domestic shares through non-public issuance in January 2021 with the net proceeds therefrom of RMB9,893,752,170, which complied with the requirements of the “Measures for the Capital Management of Commercial Banks (Trial)” regarding the replacement of the redeemed instruments with capital instruments of equal or higher quality.

Pursuant to the terms and conditions of the Offshore Preference Shares, the Bank intends to redeem all the Offshore Preference Shares on 10 November 2021 (the “**Redemption Date**”). The redemption price of the Offshore Preference Shares shall be the liquidation preference of such Offshore Preference Shares plus the declared but unpaid dividends in respect of the period from (and including) the immediately preceding dividend payment date to (but excluding) the scheduled Redemption Date. As at the date of this announcement, the aggregate liquidation preference of the Offshore Preference Shares was U.S.\$888,000,000.

The aggregate price of the Redemption will be U.S.\$936,840,000 (being the sum of (i) the aggregate liquidation preference of the Offshore Preference Shares in the amount of U.S.\$888,000,000 and (ii) the Dividends in the amount of U.S.\$48,840,000). For details of distribution of the Dividends, please refer to the announcement “DISTRIBUTION OF DIVIDENDS ON THE OFFSHORE PREFERENCE SHARES” published by the Bank on 27 July 2021.

Such payment in respect of the Offshore Preference Shares will be made via Euroclear Bank SA/NV and Clearstream Banking, S.A., to, or to the order of, the person whose name is entered on the register at the close of business on the record date (which shall be on the clearing system business day immediately prior to the Redemption Date, being 9 November 2021).

Upon redemption and cancellation of the outstanding amount of the Offshore Preference Shares on the Redemption Date, there will be no Offshore Preference Shares outstanding. Accordingly, the Bank will make an application to The Stock Exchange of Hong Kong Limited in a timely manner for the Offshore Preference Shares to be delisted.

The expected timetable of the Redemption is as follow:

Notice to holders of the Offshore Preference Shares on redemption. 8 October 2021

Date of redemption 10 November 2021

Withdrawal of listing of the Offshore Preference Shares after 4:00pm, 11 November 2021

Any changes to this timetable will be announced by the Bank accordingly.

By order of the Board
Huishang Bank Corporation Limited*
Yan Chen
Chairman

Hefei, Anhui Province, the PRC
8 October 2021

As at the date of this announcement, the Board of the Bank comprises Yan Chen and Zhang Renfu as executive directors; Zhu Yicun, Wu Tian, Qian Dongsheng, Gao Yang, Wang Wenjin and Zhao Zongren as non-executive directors; Dai Peikun, Zhou Yana, Liu Zhiqiang, Yin Jianfeng and Huang Aiming as independent non-executive directors.

* *Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*